Rare Breeds Survival Trust

Report and Financial Statements

for the year ended

31st December 2014

Registered charity number 269442

Registered company number 1204694
Limited by guarantee

Annual Report of the Board of Trustees for the year ended 31 December 2014

Registration Details

Registered charity number	269442
Registered company number	1204694 – limited by guarantee
Registered Office	Avenue Q, Stoneleigh Park, Kenilworth, Warwickshire CV8 2LG

Patron
His Royal Highness The Prince of Wales KG KT GCB OM AK QSO PC ADC.

President
Richard Matson was appointed on 21st August 2014 for a term of two years.

Vice Presidents
The Lord Iliffe, and J A C Black.

The 8th Duke of Wellington was a long-standing Vice President of RBST until his death on December 31st 2014. His Grace the Duke of Wellington served as President from 1983 to 1987 and was a staunch and loyal supporter of RBST and rare breeds. He took a keen interest in the work of the Trust, hosting the Annual General Meeting at Stratfield Saye in 1987.

Board
The members of Board are all Trustees and directors of RBST and at the date of this report they were:

Gail Sprake – Chairman *	Jeff Clarke~ Vice Chairman+
Martin Anderson MBE – Treasurer*	
Chris Ball *	Richard Small~
Sandra Mansell +	Charles Castle~
Martin Beard*	Guy Kiddy+

* appointed 21st August 2014

~ term of office concludes at the 2015 Annual General Meeting

+term of office concludes at the 2016 Annual General Meeting

Viki Mills retired under the nine year rule in 2014. Peter Titley retired and Kate Kay resigned from the Board in 2014.

The Conservation Committee is a committee formed by the Board. It meets under the chairmanship of Richard Small; Gail Sprake, Sandra Mansell, Charles Castle, Chris Ball, Guy Kiddy and Chief Executive Officer, plus Programmes staff are in attendance.

The Finance and Governance committee was inaugurated at the 2013 Annual General Meeting which meets under the Chairmanship of Martin Anderson: Jeff Clarke, Martin Beard, and Chief Executive Officer plus Chairman of Board and Director of Finance, Fundraising and Support Services are also in attendance.

Ambassadors
The Board has recognised that in certain areas RBST would benefit from representation by individuals who have a unique skill and expertise but who perhaps do not wish to become Trustees. Accordingly it has had a number of ambassadors who were appointed historically. Currently, Peter Hayford is Poultry Ambassador (appointed 2010). This position is honorary.

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Staff
During the period covered by this report:

Tom Beeston	Chief Executive Officer
Denise Chillcott	Director of Finance, Fundraising and Support Services
Claire Barber	Conservation Officer (resigned 15/5/15)
Carolyn Day	Finance, Fundraising and Support Services Officer
Ruth Dalton	Field Officer – North
Richard Broad	Field Officer - South
Sarah Spriggs	Fundraising and Marketing Officer
Hilary Young	Administration Assistant – part Time
Hannah Knowles	Programme Officer – (Maternity Leave from Aug-14)
Harriet Bunning	Programme Officer (maternity leave cover from Sep-14)
Jean Henderson	Finance Assistant – Part Time

Professional advisers

Auditors	Crowe Clark Whitehill LLP	Black Country House, Rounds Green Road, Oldbury, West Midlands B69 2DG
Bankers	Barclays Bank plc	Central Agriculture, Barclays Business Centre, 267 Wellingborough Road, Northampton NN1 4EN.
Solicitors	Anthony Collins LLP	134 Edmund Street Birmingham B3 2ES
Investment managers	Smith and Williamson	3rd Floor,9 Colmore Row Birmingham, B3 2BJ

Structure, Governance and Management
The Trust was established under a Trust Deed in 1973 and incorporated as a Company Limited by Guarantee in 1975 since when it has been governed by a Memorandum (last amended in 2012) and Articles of Association (last amended in 2012). It has no share capital and is a registered charity. The guarantee of each member is limited to £2. All Board members are Directors and Trustees.

The Board comprises elected and co-opted members of RBST. For an elected member the standard term of office is three years after which they retire by rotation and can be eligible for re-election with a maximum consecutive term of nine years. New Board members are elected by a ballot of Trust members eligible to vote, both postal ballots and electronic ballots are conducted when necessary. The Board has the power to co-opt further members, especially to provide specialist skills. Co-opted members serve for a maximum period of one year, or until the next AGM. Each Board member signs a declaration of eligibility and completes a register of interests. The register is reviewed at every Board meeting. Newly elected members receive an induction pack containing the Memorandum and Articles of Association, job description, terms of reference, structure chart, guidance about the financial position, and an outline of future plans. Training for Board members is provided from time to time when specific requirements have been identified. Inset training and presentations are organized for trustees on a regular basis.

The Chairman and other officers are elected by the Board from among their number. The Board meets on average six times each year. The Conservation Committee meets four times each year and task and finish groups are set up as needed to deal with particular issues. The Finance and Governance Committee meets five times each year and working groups are set up as needed to deal with particular issues.

Board members do not receive any remuneration for their services.

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Responsibilities of the Board of Trustees
Company law requires the Board of Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Trust and of its net income for that period. In preparing those financial statements the Board is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Trust will continue in business.

Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the Trust's financial position and enable it to ensure that the financial statements comply with the Companies Act 2006. Board is also responsible for safeguarding the Trust's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing this report Board has taken advantage of the small companies exemptions provided by section 415a of The Companies Act 2006.

Disclosure of information to Auditors
So far as Board is aware, there is no relevant audit information of which the company's auditors are unaware, and each board member has taken the steps that a director ought to take in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Risk
The Board has a risk management strategy which includes an annual review of the major strategic, business and operational risks that the Trust faces, ensuring that appropriate systems are in place to manage exposure to those risks, and procedures to minimise the impact on the Trust should any of those risks occur. This will be reviewed by the Finance and Governance Committee on an annual basis. The main risks identified in 2014 include:

- the general economic climate potentially leading to a severe reduction in income
- the demographics of the number of breeders of rare breeds and the number of other supporters of RBST
- the outbreak of a major epidemic of a disease which might adversely affect the viability of breeds
- a major incident which disrupts the governance or administration of RBST

Social & ethical responsibility
All the activities of the Trust reflect social responsibility, which is a natural reflection of the philosophy of a charity associated with farm animal welfare, husbandry and conservation. However, it is of more significant consequence that such a policy is documented, reviewed regularly, and forms part of the Trust's Statement of Business Philosophy. Board will ensure that:

- it is familiar with statements of Social Responsibility from all organisations with which it deals on a regular or substantive basis;
- the Trust does not appear to endorse any business that contradicts the social and environmental concepts that would reflect badly upon the charity;
- the scientific agenda satisfies the conscience of Board;
- attitudes reflect the specific business of the Trust and do not address social responsibilities that are society's burdens as a whole.

Charity Objectives and Activities for the Public Benefit
The objects of the Trust, as set out in its Memorandum of Association are:

- for the benefit of the public to ensure the preservation of breeds and breeding groups of domestic farm livestock of importance in the promotion of agriculture being breeds at risk, and having characteristics worthy of preservation in the interests of zoological research and education to ensure the preservation of genes of special or potential value in hybridisation or other work; and
- to conduct, carry out and promote research within all areas of the Trust's interest to increase knowledge and to publish the results of such research.

Board has referred to the guidance contained in the Charity Commission's general advice on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the conservation policy for the year. The public benefit of the conservation work undertaken by the Trust is described below.

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Objectives, Activities, Achievements and Performance

RBST has the overarching aim to secure the future of rare and native UK livestock breeds. This is achieved, on an on-going basis, through the realisation of three primary objectives:

1. **To monitor rare and native breeds**
   The number of registered breeding females is used as a guideline to determine the placement of a breed in a conservation category on the annual RBST Watchlist. Other factors such as genetic erosion, inbreeding and geographical concentration can threaten the continued existence of a breed, these are monitored carefully. Poultry is listed separately within the RBST UK Poultry Breeds at Risk list, which is uncategorised.

   Activities, Achievements and Performance
   - Policy Papers for each of the species were debated and finalised in 2014. These Policy Papers review the technical gaps to provide a focus for the future to utilise best scientific practice.
   - In 2014 two breeds came on to the Watchlist for the first time: Devon Closewool sheep and New Forest ponies. A third breed, British White cattle, returned to the Watchlist having formerly been a success story.
   - In summary, of the 57 breeds represented on the 2014 Watchlist in categories 1 to 5, 33 showed three-year average trends of numerical decline, with only 17 breeds showing growth.
   - Sheep: of all the Watchlist species, sheep were the most positive with 12 breeds showing increasing trends, one remaining static and nine in decline.
   - Cattle: the return to the Watchlist of the British White highlighted the fact that there is no room for complacency and that the future of breeds is not secure.
   - Goats: whilst the 2014 Watchlist saw no change in the categorisation for goats, there was a decline in the number of registrations for the Bagot goat for the third consecutive year. RBST worked closely with the Bagot Goat Society throughout 2014; a Geneped analysis (breed analysis) was conducted for the breed, a new registration system was put in place for the Breed Society via Grassroots Systems Ltd, and a new committee was formed to undertake breed society business.
   - Pigs: of the 10 breeds of pig on the 2014 Watchlist, 9 of these breeds gave cause for concern with decreasing numerical trends.
     RBST has fostered strong links with the British Pig Association (BPA) to work together to address current concerns.
   - Equines: for all equine breeds, including those listed in Category 6, registration figures were lower than in previous years. The British Horse Society (BHS) has described this as "a huge and unprecedented welfare crisis."
   -

2. **To save rare and native breeds**
   RBST saves genetics in the RBST Gene Bank.

   Activities, Achievements and Performance
   - The semen data base, in the form of the RBST Gene Bank, has been completely overhauled in 2014. There is now an auditable stock system with pedigrees uploaded, semen status categories and historic notes recorded on to a working system whereby species status reports can be produced.
   - The first embryo collection was made from Original Population Dairy Shorthorns in 2014, with implantation planned for 2015.
   - Bovine semen collections have been successfully undertaken from two native Aberdeen Angus and two original Population Dairy Shorthorns.
   - Equine semen collections have been undertaken from Cleveland Bay, Exmoor and two Hackney horses. The collection of semen from a Dales pony was unsuccessful.
   - Further semen collections have been made as part of the on-going North Ronaldsay semen collection project which commenced when the rams were brought from the island to the mainland in 2013. Semen has also been collected from a Norfolk Horn ram.
   - Semen has been made available to breeders of selected breeds for a range of conservation projects.
   - The first AI sired Vaynol bull calf was born in 2014. This bull calf forms part of the RBST agisted herd in Scotland and will be retained for breeding purposes. His genetics are of vital importance since he is unrelated to the remainder of the population.
   - Work was underway throughout 2014 to split the storage of semen as an insurance policy. Sheep and equine semen is now in storage at more than one site, cattle semen splitting remains in progress, and the pig semen should be completed by the end of 2015.

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3. **To promote rare and native breeds**
RBST promotes the breeding and registration of rare and native breeds. Staff, RBST members and Support Groups work together to provide a network of knowledge to support and encourage both existing and potential breeders.

Activities, Achievements and Performance

- RBST awarded Breed Support grants to the Society of Border Leicester Sheep Breeders, the British Saddleback Pig Breeders' Club, the Manx Loaghtan Sheep Breeders' Club and the Wensleydale Longwool Sheepbreeders' Association. This funding assisted projects relating directly to the work of the breeders' groups for the sole benefit of the breed.
- RBST continued to work on behalf of eight of the rarest breeds of sheep: Boreray, Castlemilk Moorit, Manx Loaghtan, Norfolk Horn, North Ronaldsay, Portland, Soay and Whitefaced Woodland. RBST is the registration body for each of these breeds and publishes the annual on-line Flock Book, the Combined Flock Book (CFB).
- RBST purchased and placed additional stock. The "Loaned" Stock Programme enables RBST to complement its genetic research and bloodline conservation work by acquiring animals where a conservation need has been identified. Stock purchased and placed in safe hands in 2014 comprised Bagot goats; Shetland cattle in Northern Ireland (9 cows, 4 heifer calves, 5 bull calves) Vaynol cattle; a Norfolk Horn ram, and Whitefaced Woodland sheep.
- The Poultry Working Group met twice in 2014. The group comprises leading figures from the world of rare breed poultry, covering ducks, turkeys, geese and chickens, and advises RBST on all poultry related topics.
- 25 RBST Support Groups operate throughout England, Wales, Scotland and Northern Ireland. These groups are organised each by a committee of dedicated and enthusiastic volunteers. Collectively, the Support Groups attend in excess of 100 shows and events and promote the work and raise the profile of the Charity. It is estimated that the value equates to £250,000 per annum. Volunteer role descriptions were put in place following consultation with Support Groups in 2014.
- RBST organised two Support Group meetings in 2014 to enable volunteers to come together for the exchange of ideas.
- RBST continued to work with 19 Approved Farm Parks and City Farms in 2014. These approved centres must comply with stringent guidelines regarding the conservation and promotion of rare breeds in order to retain their RBST certification. RBST encourages the Farm Parks to provide "safe" populations of breeding stock away from their area of origin.

Strategies for Achieving Objectives

RBST operates on the basis of a three-year strategic Business Plan put in place by CEO Tom Beeston following consultation with trustees and membership. A quarterly Programmes Report informs trustees of progress made.

4. **Income: to increase funding and resources to ensure the Trust can progress**
    - The number of RBST members as at 31st December 2014 was 5700.(5900 in 2013)
    - Trust fundraising in 2014 focused on raising money for Equine Semen Gene Bank: with a total of £21,000 funds received during the year. The Trust Funders included Princes Charities; The Saintbury Trust; PF Charitable Trust; The Hobson Charity Limited and the Marjorie Coote animal charity. £3,000 was received from several Trust funders for general revenue funding.
    - RBST was fortunate to receive donations from members totalling £56,000, and donations from RBST Support Groups of £11,000, for which RBST is most grateful.
    - The 2014 RBST Christmas campaign was for donations to further our work with the Native Sheep and Goats Gene Bank. Donations were made using the form enclosed with the Ark magazine, on line or by telephone, totalling £3,873.
    - Legacies received in 2014 totalled £19,870.
    - In 2014 RBST has a collaboration with Coronation Meadows both in their funding projects and PR committees and campaigns to keep the profile in the public domain.
    - In 2015 RBST main funding focus will be on Pig Semen Gene Bank which will be a joint collaboration with the British Pig Association.
    - In 2014 costs were brought under control with expenditure showing a reduction in comparison with 2013 figures.
    - Grants and donations were lower in 2014 as a result of staff changes and a reduced focus on fundraising.
    - HMRC Gift Aid review commenced in late 2014 resulted in reduction in Gift Aid income.

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5. **Profile: to become more widely recognised as the leading charity dedicated to rare and native breeds of UK farm livestock**
    - RBST is recognised as the expert body for protecting, preserving and promoting rare and native breeds for the benefit of future generations. By appealing to a wider range of interested people we can widen our membership base and be of interest to people who are concerned about the provenance of their food and sustainability, in addition to people with a specialist interest in breeds and their produce.
    - RBST joined with Plantlife and The Wildlife Trusts, its partners in the Coronation Meadows project, for a prestigious one-day conference to discuss the future of wildflower meadows in the UK. HRH Prince Charles, Patron of all three participating charities, addressed the conference and tasked delegates with the challenge of drawing up a plan that will provide a practical solution to reverse the decline of flower-rich meadows.
    - Work started in 2014 to review and renew the website, the new website launch is planned for June 2015.
    - Work started in 2014 to renew the membership database to ensure it is fit for purpose. Completion date is planned for autumn 2015.
    - RBST was proud to be associated with the Marsh Christian Awards again in 2014. The Award presentations took place at the Great Yorkshire Show with the Lifetime Achievement Award being presented to Ron Foster, and the Genetic Biodiversity Award to Michael Dewhurst MRCVS.
    - Members receive the quarterly Ark magazine which keeps readers up to date with current projects, and promotes the use of rare and native breeds for food, fibre, conservation grazing and tourism/rural pursuits.
    - The monthly e-newsletter continued to be circulated to all who have signed up on line to receive the electronic update of news and activities.
    - RBST was successful in 2014 in making contact with Liz Truss, Secretary of State for Environment, Food & Rural Affairs; with George Eustice, Minister of State at the Department for Environment, Food and Rural Affairs; Lord de Mauley, Parliamentary Undersecretary of State for Natural Environment of Science, and Owen Paterson, former Secretary of State for Environment, Food & Rural Affairs.
    - RBST has continued to benefit from national and local radio, and press coverage. Regular references have been made to rare and native breeds in the BBC TV Countryfile programme thanks to Adam Henson.
    - RBST has continued to promote and encourage the next generation of livestock keepers through the Young Shepherd competition. More than 20 regional agricultural shows participate as qualifiers, with the Final of the Young Shepherd Competition being held at the Royal County of Berkshire Show in September.
    - RBST has started to build stronger links with significant individuals and bodies in the "food world", including BBC Food & Farming Awards Personality of the Year Cyrus Todiwala; BBC Food & Farming Awards Best Food Retailer of the Year, butchers Callum & Debbie Edge; Slow Food, and the School of Artisan Food,

6. **Governance and Management: to ensure the organisation is effective and fit for purpose**
    - Following the 2013 AGM, trustees embarked upon a full governance review to ensure that the Trustee Board was "fit for purpose" and capable of meeting the challenges facing the Charity. This thorough review was undertaken with the assistance of Compass Partnership, the consultancy brought in by the Board to carry out an independent review of governance.
    - A general meeting took place at RBST Head Office in March 2014 at which trustees reported back to members on the progress of the governance review.
    - Future actions agreed upon were the adoption by all of a set of values fundamental to the success and future of RBST; the establishment of a Finance & Governance Committee in addition to the Conservation Committee; the setting up of a Nominations Committee to oversee the appointment of future trustees and co-opted Board members; to adopt terms of reference for all committees; to agree a trustee induction process; to adopt role description for trustees.
    - A full review of the Articles of Association was embarked upon in 2014 and should reach completion at the 2015 AGM.
    - The "One Team" ethos was reinforced for all trustees, staff, volunteers and members.

Plans for the Future

1. To seek to reduce the deficit; to allocate less expenditure on administration and greater funding to the delivery of programmes.

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2. To address the decline in membership by trialling a professional membership recruiter at major shows to enhance membership numbers and to improve membership retention.
3. In 2015 two new family membership categories will be introduced and the corporate member's package will be reviewed.
4. New membership database to be linked to semen database and website to combine in a central information system to be accessed by all staff.
5. To monitor the Gene Bank and to expand the semen database to include NSP archive and Millennium Seed Bank (Kew Gardens project).
6. RBST will aspire to gain greater recognition as a key partner in the Countryside arena.
7. Continue to work with relevant partners.
8. Education and knowledge transfer, to strengthen links with next generation of livestock keepers.
9. Governance & management: seek to attract the most relevant skills on RBST Board in order to deliver most effectively.
10. Promote the use of rare and native breeds for food, fibre, conservation and rural activities/tourism.
11. To complete the review of the Articles of Association.
12. To increase and improve collaboration with Grassroots and breed societies to centrally collect Watchlist data.
13. To strengthen/extend links with breed societies and specialist interest groups (ie Big Barn, Slow Food).

Financial Summary

In 2014 RBST experienced a decrease in subscription income of 13% compared to 2013, due to the ongoing HMRC Gift Aid review it has been assumed for the 2014 financial accounts that no gift aid income will be received. (in 2013 Gift Aid rebate was £21,725). Grants income was lower than 2013 by 31% this was due to the fewer than expected grants being awarded. Several new restricted funds were received in 2014 from The Prince of Wales Charitable Trust, Marjorie Coote, PF Charitable Trust, Hobson Charity and Saintbury Trust. A number of small legacies were received in 2014 for which RBST is most grateful. These factors contributed to a Total Income of £445,683 which was £83,324 less than 2013. The Trust is grateful to its many supporters and donors, and also to legatees, who together with grants contributed £306,873 in 2014. Unrestricted Funds included membership income of £148,332; bequests £19,870. Investment income was £107,178; grants and related restricted income was £114,763. The balance of the income came from conservation projects and other activities.

Expenditure totalled £665,929 of which 47% or £313,966 was spent on conservation projects and programmes. This was £30,542 higher than 2013. Governance costs were £45,633, 8% of the total, and the remainder of the costs were spent to generate funds.

This meant that the Trust experienced *Net outgoing resources* for the year of £220,245. A profit on investment dealing of £41,357 lowered the deficit to £178,888.The value of RBST investment portfolio decreased slightly to £2,890,644 which meant that the total reserves decreased by £178,888 to £3,235,956.

Reserves

The Trust does not have the benefit of any major income streams; therefore it has invested the expandable endowment funds of which the dividends are used to cover the operating costs of the Trust, and all conservation project funding is raised by community, Trust, foundation or Lottery funding. RBST had much of success in 2014 with many funders realising the importance of RBST conservation work.

RBST needs to maintain a high level of reserves to fund current activities and to operate as a going concern.

The Trustees are mindful that the prime charitable objective of the Trust is to ensure the preservation of breeds and breeding groups of domestic farm livestock and the preservation of genes of special or potential value in hybridisation or other work. The genes are treated as a heritage asset which is irreplaceable and not capable of being valued with any degree of accuracy. Regardless of any other activities by the Trust, the maintenance of the gene bank, and the work to ensure that it contains the characteristics of old and current breeding groups, is imperative. Therefore the Trustees have designated £2m of expandable endowment funds to maintain and develop the gene bank for the next generation. In calculating this level the Trustees have taken the view that the next generation should be regarded as 40 years and that each year at least £50,000 would be spent on semen storage and collection, and administration of the gene bank.

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In 2012 a new designated fund for Agisted Stock was created. This fund forms part of the RBST conservation programme which sees RBST loaning rare breed animal stock to livestock keepers who use the stock to produce progeny to increase breed numbers. There will be revaluation every three years by an external source from date of inception. Total designated funds as at 31st December 2014 are £2,092,562.

There were several new restricted funds created in 2014, Conservation funds were received from Prince of Wales Charitable Trust; Marjorie Coote; PF Charitable Trust; Hobson Charity; Saintbury Trust and RBST fundraising for restricted conservation projects. There is one other restricted conservation fund, Conservation Grazing Fund, which will continue for a number of years. Total restricted funds as at 31st December 2014 were £67,849.

The unrestricted funds total £1,075,545. These are split between £900,866 unrealised gains in the value of the investments and £174,678 general reserves. These reserves provide funds to finance an orderly run down of RBST's activities should it choose to restrict itself to just maintaining the gene bank; to cover the working capital requirements of its current strategy recognising that its income from legacies and grants is subject to fluctuation, and that at any time the Trust may incur additional expenditure to respond to any national outbreak of animal disease. At their current level the free Reserves of £914,004 (Reserves less the value of fixed assets.) cover more than 16 months of such expenditure. The Trustees' aim is for the free reserves to always cover operational costs for at least 12 months and ideally cover 18 months.

The Board reconsidered its reserves policy in May 2015 and was satisfied that the amounts held at the end of 2014 were appropriate and neither excessive nor significantly deficient.

Investment Policy

A medium-risk approach describes the investment policy. Assets are held in RBST Portfolio which invests in cross section of UK and global funds with the main focus on UK bonds and equities with a smaller element of 'alternative' assets. The change of investment managers from Blackrock to Smith and Williamson during 2014 crystallised an investment gain of £41,357. The new portfolio targets are initial income yield of 4%, in addition to a longer term goal of capital growth. The Investment aim to achieve this income target without detriment to the growth and without incurring unnecessary risk. The Trustees believe that the reconstructed RBST portfolio will outperform its benchmark in the coming 12 months as well as the longer term. The Portfolio is now invested in a combination of segregated equities and collective funds; the Trustees accept that collective funds could potentially involve investment in companies that might contradict some principles of the animal welfare but that RBST's exposure to such stocks was indirect and also of marginal significance in the context of the whole portfolio, given that collective funds now comprise approximately half of the portfolio. The value of the RBST portfolio as at 31st December 2014 is £2,890,644.

Going Concern

Board recognises that the consequence of recording a significant deficit in a year has serious implications to RBST's cash flow. The Trustees have resolved that they will realise cash from the investment portfolio as and when needed.

A change in fund managers and a new investment strategy to enhance dividend and capital growth will also increase the income flow. A new fundraising strategy has been implemented with membership appeals for the Gene Bank Collection, Trust funding appeals for the gene bank collections and other community and national fundraising schemes. The Trust is committed to maintaining the Gene Bank for the next generation and is continually working towards break even with the help and support of members, funders and the general public donations.

On behalf of Board

Gail Sprake ~ Chairman of Trustees 16th July 2015

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For the year ended 31 December 2014

Independent Auditor's Report to the members of the Rare Breeds Survival Trust

We have audited the financial statements of the Rare Breeds Survival Trust for the year ended 31 December 2014 set out pages 14 to 23.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the charitable company's Trustees as a body in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's' Trustees as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Board of Trustees and auditor

As explained more fully in the Responsibilities of the Board of Trustees, the Trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report of Board to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit . If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Annual Report of Council for the financial year for which the financial statements are prepared is consistent with the financial statements.

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Independent Auditor's Report to the members of the Rare Breeds Survival Trust (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Annual Report of Council.

Helen Drew
Senior statutory auditor
For and on behalf of Crowe Clark Whitehill LLP
Chartered Accountants
Registered Auditors
Black Country House,
Oldbury,
West Midlands,
B69 2DG

16th July 2015

Accounting policies
For the year ended 31 December 2014

Basis of accounting
The financial statements have been prepared in accordance with the historical cost convention as modified for the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements have been prepared to comply with Statement of Recommended Practice (SORP), *Accounting and Reporting by Charities* published in March 2005, and the Companies Act 2006.

A network of volunteer support groups is constituted within the Trust and accordingly the accounts include their financial activities.

The Trust owns 100% of the issued ordinary share capital of the RBST Trading Company Limited, (incorporated in the United Kingdom). This company has not traded since 1 January 2004 and so consolidated accounts have not been prepared on the grounds of immateriality.

The Trustees have a reasonable expectation that RBST has adequate resources to continue in operational existence for the foreseeable future thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Heritage asset – National Archive Gene Bank
The Gene Bank is a collection of semen obtained from rare breeds of cattle, horses, sheep, goats and pigs. It acts as an archive to preserve bloodlines of breeds. Each year additions are made to the archive to ensure that it includes the current characteristics of a breed. The archive is regarded as an irreplaceable resource which cannot be valued with any degree of accuracy and will never be sold. As such it generates no income and so has no realisable value. Therefore it does not have a carrying value in the balance sheet. The costs incurred in maintaining the archive for conservation purposes are written off each year.

Depreciation
Depreciation is provided to write off the cost of fixed assets over their effective useful lives;

Short leasehold buildings	- over the period of the lease
Office & computer equipment	- 10% to 33% according to the nature of the asset
Agisted Stock	- Valuation takes place every 3 years

Investments
Investments are stated in the balance sheet at mid-market value. Surpluses or deficits on valuation or arising from the sale of investments are credited or charged in the Statement of Financial Activities.

Stocks
Stocks comprise genetic resources which are not part of the gene bank and goods for resale. Genetic resources are valued at the lower of cost of production and market value. Retail stocks are valued at the lower of cost and net realisable value.

Subscriptions, donations legacies and other income
Subscriptions are included in the Income and Expenditure Account in the accounting period in which they are received. This treatment is also adopted for the limited number of subscriptions received from new life members.

Donations, legacies and other income represent general and specific items received or due in the period. Legacies are included once receipt is certain and a value confirmed.

Resources expended
All resources expended are accounted for on an accruals basis. Charitable activities include costs of services and of grants, also support costs and depreciation on related assets. Costs of generating funds similarly include fundraising and non-charitable trading activities. Governance costs are those associated with constitutional and statutory requirements. All support costs have been allocated on the basis of number of employees. Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs consist of audit fees, legal fees and Trustees expenses.

Operating leases
Costs in respect of operating leases are included in resources expended on a straight-line basis over the lease term.

Accounting policies (continued)
For the year ended 31 December 2014

Pensions
The Trust agrees to pay a defined contribution into the employee's own personal pension scheme for eligible employees. The pension charge represents contributions payable by the Trust for the period. The Trust's liability is limited to the amount of the contribution. The liability for meeting future pension payments rests solely with the employee's personal pension scheme.

Grants
Grants of a revenue nature are taken to incoming resources in the period to which they relate.

Fund accounting
Unrestricted funds are those available for the use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the accounts.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the accounts.

Statement of financial activities

(incorporating an Income & Expenditure account)

For the year ended 31 December 2014

	Note	Unrestricted	Designated	Restricted	Total	2013
Incoming resources from generated funds						
Grants and donations		70,525	13,607	30,631	114,763	166,508
Legacies		19,870	-	-	19,870	7,000
Membership subscriptions		148,332	-	-	148,332	170,478
Support Groups		23,908		-	23,908	21,703
Voluntary income		262,635	13,607	30,631	306,873	365,689
Advertising revenue		12,717	-	-	12,717	8,260
Merchandising		6,139	-	-	6,139	15,361
Activities for generating funds		18,856	-	-	18,856	23,621
Dividends and interest receivable						
Investment income		104,832	2,346	-	107,178	113,585
Total incoming resources from generated funds		386,323	15,953	30,631	432,907	502,895
Incoming resources from charitable activities						
Conservation projects and programmes		12,776			12,776	26,112
Total incoming resources		399,099	15,953	30,631	445,683	529,007
Resources expended						
Fund raising and publicity		85,291	-	-	85,291	118,813
Support groups		39,082	-	-	39,082	31,072
Costs of generating voluntary income		124,373	-	-	124,373	149,885
Membership		57,692	-	-	57,692	65,456
Merchandising costs		15,701	-	-	15,701	21,414
Investment management fees		7,876	-	-	7,876	14,467
Costs of generating funds		205,642	-	-	205,642	251,222
Conservation activities		262,866	17,526	33,574	313,966	283,424
Ark magazine		43,393	-	-	43,393	43,233
Charitable activities	1	306,259	17,526	33,574	357,359	326,657
Governance costs	2	45,633	-	-	45,633	47,820
Exceptional items	3	57,295			57,295	
Total resources expended		614,829	17,526	33,574	665,929	625,699
Net outgoing resources	4	(215,729)	(1,573)	(2,943)	(220,245)	(96,692)
Gains/losses un/realised on investments		41,357	-	-	41,357	304,512
Realised deficit/gain for the financial year		(174,372)	(1,573)	(2,943)	(178,888)	62,482
Net increase/(decrease) in Funds		(174,372)	(1,573)	(2,943)	(178.888)	207,820
Fund balances at 1 January 2014		1,249,917	2,094,135	70,792	3,414,844	3,207,021
Transfer						3
Fund balances at 31 December 2014	£	1,075,545	2,092,562	67,849	3,235,956	3,414,844

The results are derived from continuing activities and include all gains and losses recognised in the year.
The *Net outgoing Resources* of £178,888 (*Net incoming Resources* £207,820 - 2013) was the deficit for the year for Companies Act purposes.

Balance sheet at 31 December 2014

	Note	2014	2013
Fixed assets			
Heritage assets	6	-	-
Tangible fixed assets	7	161,541	156,099
Investments	8	2,890,642	2,940,196
		3,052,183	3,096,295
Current assets			
Stocks	9	8,101	15,005
Debtors	10	74,697	55,983
Cash at bank and in hand		235,213	324,840
		318,011	395,828
Creditors - falling due within one year	11	(134,238)	(77,279)
Net current assets		183,773	318,549
Total assets less current liabilities		3,235,956	3,414,844
Creditors - falling due beyond one year	12		
Total assets		£ 3,235,956	£ 3,414,844
Represented by			
Regeneration – (RES)	13	8,461	10,931
Van Peperzeel – (RES)	13	-	465
Grazing Advice – (RES)	13	15,634	16,134
Prince of Wales Charitable Trust (RES)	13	18,133	22,201
T/tees of Frances –Hayhurst Capital Fund (RES)	13	2,184	3,362
Whitefaced Woodland Fund (RES)	13	968	1,785
General Conservation Projects Fund(RES)	13	1,626	1,126
Gene Bank – (DES)	14	2,000,000	2,000,000
Traditional Herefords – (DES)	14	-	2,500
Linga Holm – (DES)	14	17,821	19,524
Conservation – (DES)	14	31,284	40,225
Agisted Stock Reserve (DES)	14	43,457	31,886
Investment revaluation – (UNR)	15	900,866	858,960
General - unrestricted (UNR)	15	174,678	390,958
Elise Pilkington – Gene Bank (RES)	15	1,000	5,000
Marjorie Coote Animal Charity(RES)	13	2,000	2,000
Northern Dairy Shorthorn Appeal(RES)	13	-	787
SG Display Equipment (RES)	13	-	2,000
Prince of Wales (Hackney Fund) (RES)	13	1,493	-
Hobson Charity (RES)	13	2,000	-
Sheep Semen Appeal (RES)	13	2,851	-
Saintbury Trust (RES)	13	2,000	-
Princes Charities (RES)	13	5,000	-
PF Charitable Trust (RES)	13	3,000	-
Sackler Foundation (RES)	13	1,500	5,000
		£ 3,235,956	£ 3,414,844

(RES) Restricted Fund, (DES) Designated Fund
(UNR) Unrestricted Fund

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 5 of the Companies Act 2006.

Approved by Board on 16th July 2015 and signed on its behalf

Gail Sprake

Chairman

Martin Anderson

Treasurer

Notes to the Financial Statements
For the year ended 31 December 2014

		2014		2013
1. Charitable activities include support costs				
Management salaries and expenses		119,895		82,488
Office operational costs and utilities		56,416		60.003
Depreciation		8,738		14,650
Professional charges		2,918		7,833
	£	187,967	£	164,974
Which have been allocated to				
Fundraising and publicity		43,665		38,900
Membership		28,486		29,952
Support Groups		8,823		5,480
Merchandising		6,030		8,584
Conservation activities		77,467		64,834
Governance costs		23,496		17,224
	£	187,967	£	164,974

Support costs in 2014 were attributed on the basis of staff time.

2. Governance costs				
Auditor's remuneration		1,400		7,200
Costs of Trustees' meetings and the AGM		14,152		20,038
Legal and professional fees		6,585		3,358
Support costs apportionment		23,496		17,224
	£	45,633	£	47,820

None of the Trustees received any remuneration in either year.

3. Exceptional items				
Gift Aid repayment after HMRC review for financial years 2011, 2012 & 2013. 2014 is accounted for in the current years Sofa Accounts.	£	57,295	£	-

4. Net outgoing resources are stated after charging Depreciation (including Frances Hayhurst capital depreciation not included in SOFA)	£	9,915	£	14,650

4. Staff costs				
Salaries		238,423		237,912
Social security costs		19,265		22,684
Pension contributions		8,310		8,342
	£	265,998		268,938
The number of staff employed in the year were				
Administration		3		3
Fundraising		1.5		1
Membership		1		2
Programmes		4		3
		9.5		9

There was one higher paid employee in 2014.

Notes to the Financial Statements - continued
For the year ended 31 December 2014

5. Trustees' expenses		**2014**		**2013**
Aggregate expenses reimbursed	£	11,362	£	20,038
Number of Trustees reimbursed		7		9

6. Heritage assets

Expenditure to acquire, preserve and develop the National Archive Gene Bank	£	85,013	£	41,690

The National Archive Gene Bank has no value.

7. Tangible fixed assets

		Short leasehold		**Office & equipment**	**Agisted Stock**		**Total**
Cost							
At 1 January 2014		221,443		119,110	31,886		372,439
Additions		-		3,786	11,571		15,357
Disposals							
At 31 December 2014		221,443		122,896	43,457		387,796
Depreciation							
At 1 January 2014		110,745		105,595	-		216,340
Charge for year		4,440		5,475	-		9,915
Eliminated on disposals		-					
At 31 December 2014		115,185		111,070	-		226,255
Net book value							
At 31 December 2014	£	106,258	£	11,827	43,457	£	161,541
At 1 January 2014	£	110,698	£	13,515	31,886	£	156,099

8. Investments

		2014		**2013**
Market value of portfolio		2,890,642		2,940,194
Investment in subsidiary		2		2
	£	2,890,644	£	2,940,196
Changes to the portfolio in the year				
Market value of portfolio at 1 January 2014		2,940,196		
Additions		1,337,506		
Disposals		(1,401,621)		
Movement in cash investments		(26,796)		
Profits realised		41,357		
Increase in market value				
Market value of portfolio at 31st December 2014	£	2,890,642		

**Notes to the Financial statements-
Continued for the year ended 31
December 2014**

Cost of portfolio investments	£	2,666,179	£	2,245,251

All investments are held in UK managed units trusts.

8. Investments

The following investments are held within the RBST Portfolio which is spread across all market sectors:

	2014	2013
UK Equities	670,321	
Far East	37,462	
Rest of the World	182,018	
Chirinco		446,638
Charishare	964,820	1,913,991
Blackrock Overseas Fund	253,200	436,726

9. Stocks	**2014**	**2013**
Bovine semen	8101	7,413
Show merchandise		7,592
	£ 8,101	£ 15,005

10. Debtors		
Trade debtors	4,999	5,163
Taxes recoverable	7,863	5,598
Amounts owed by Support Groups	30,250	35,908
Other debtors	-	-
Prepayments & Accrued income	31,585	9,314
	£ 74,697	£ 55,983

11. Creditors - falling due within one year		
Trade creditors	30,725	19,474
Amount owed to subsidiary company	10,958	10,958
Taxes & social security	5,716	7431
Breed support grants awarded	3,469	13,672
Gift Aid repayment to HMRC	57,295	
Other creditors	250	-
Accruals	25,825	25,784
	£ 134,238	£ 77,279

12. Creditors - falling due beyond one year		
Breed support grants awarded	£ -	£ -

Notes to Financial statements- Continued
For the year ended 31 December 2014

13. Restricted Funds

	Regeneration	Van Peperzeel	Grazing Advice	PF Charitable Trust	Prince of Wales Charitable Trust
At 1January 2014	10,931	465	16,134	-	22,201
Income in the year	-	-	780	3,000	
Resources expended	(2,470)	(465)	(1,280)		(4,068)
Transfer from Unrestricted Funds	-	-	-		
At 31 December 2014	£ 8,461	£ -	£ 15,634	£ 3,000	£ 18,133

	Frances Hayhurst Capital	Whitefaced Woodland Fund	Conservation General fund	Elise Pilkington Gene Bank	Sackler Foundation
At 1January 2014	3,362	1,785	1,126	5,000	5,000
Income in the year			500		
Resources expended	(1,178)	(817)		(4,000)	(3,500)
Transfer from Unrestricted Funds	-	-			
At 31 December 2014	£ 2,184	£ 968	£ 1,626	£ 1,000	£1,500

	Dairy Shorthorn Xmas Appeal	SG Display Equipment	Hobson Charity	Marjorie Coote Fund	Sheep Semen appeal
At 1January 2014	788	2,000		2,000	
Income in the year		2,500	2,000	2,000	2,851
Resources expended	(788)	(4,500)		(2,000)	
Transfer from Unrestricted Funds					
At 31 December 2014	£ -	£ -	£ 2,000	£ 2,000	£ 2,851

	Saintbury Trust	Princes Charities	Prince of Wales Hackney Fund	Total
At 1January 2014				70,792
Income in the year	2,000	5,000	10,000	30,631
Resources expended			(8,507)	(33,574)
Transfer				
At 31 December 2014	£ 2,000	£ 5,000	£ 1,493	£ 67,849

Notes to Financial statements- Continued
For the year ended 31 December 2014

The Regeneration Fund is used to develop the ovine and caprine elements of the national archive gene bank.

The Van Peperzeel Fund is only available for conservation projects for Vaynol cattle, and also pig and poultry.

The Grazing Advice Fund derives from the activities of the former Grazing Advice Partnership (RBST, Natural England, Defence Estates and the National Trust) which operated until September 2011. RBST continues to operate the Grazing Animals Project (GAP) which pursues the same aims of the Partnership which are to promote conservation grazing.

The Prince of Wales Charitable Trust for Conservation of Vaynol, Northern Dairy Shorthorn and Whitebred Shorthorn cattle.

Francis- Hayhurst Capital Fund for the Purchase of new Head Office IT server and one year's IT maintenance contract.

Whitefaced Woodlands Fund for the purchase of Whitefaced Woodland's agistment and conservation of the breed.

Conservation General Fund for Geneped analyses for Hackney Horse and Bagot Goat.

Elise Pilkington Gene Bank Fund is to be used for an equine semen collection.

Dairy Shorthorn Christmas Appeal is derived from membership donations for the ongoing embryo transfer work with Dairy Shorthorn Cattle.

SG Display Equipment is a Fund for support group display equipment in the coming 2014 show season.

Marjorie Coote Fund is to be used for a partial equine collection.

Sackler Foundation is a restricted fund for an equine semen collection

Hudson Charity is a restricted fund for equine semen collection

PF Charitable Trust is a restricted fund for equine semen collection

Sheep Semen Appeal is a restricted fund from members' donations for ovine semen collections

Saintbury Trust is a restricted fund for equine semen collections

Princes Trust is a restricted fund for general conservation work

14. Designated funds

	Gene Bank	Traditional Hereford	Linga Holm	Conservation	Agisted Stock
At 1 January 2014	2,000,000	2,500	19,524	40,225	31,886
Income in the year	-		2,346		13,607
Resources expended	-	(2,500)	(4,049)	(8,941)	(2,036)
At 31 December 2014	£ 2,000,000	£ 0	£ 17,821	£ 31,284	£ 43,457

	Total
At 1 January 2014	2,094,135
Income in the year	15,953
Resources expended	(17,526)
At 31 December 2014	£ 2,092,562

Notes to Financial statements- Continued
For the year ended 31 December 2014

The archive Gene Bank is held to maintain the Heritage Assets for the benefit of the next generation.

The Traditional Hereford Fund is monies received to promote the breed.

The Linga Holm Fund derives from the sale of certain assets in 2000. It is available for the conservation of North Ronaldsay sheep in the first instance.

The Conservation Fund was created from legacies received for the pursuance of conservation projects.

The Agisted Stock reserve is the value of RBST rare breed stock on loan to livestock keepers to increase rare breed population numbers.

15. Unrestricted funds

	General	Unrealised portfolio gains	Total
At I January 2014	390,957	858,959	1,249,916
Income in year	399,099	-	399,099
Resources expended	(614,829)	-	(614,829)
Profits realised on investments		41,357	
Unrealised gains on investments			41,357
Transfer to Designated Funds			2
At 31 December 2014	£ 175,227	£ 900,316	£ 1,075,545

16. Reconciliation of movements in funds

	Restricted	Designated	Unrestricted
At 31st January 2014	70,792	2,094,135	1,249,917
Net incoming/outgoing resources	(2,943)	(1,573)	(215,729)
Profits realised on investments	-	-	41,357
Unrealised losses on investments	-	-	
Transfer		-	
At 31 December 2014	£ 67,849	£ 2,092,562	£ 1,075,545

	2014	2013
17. Operating lease commitments		
Annual commitment under a non-cancellable operating lease for land and buildings expiring in more than 5 years	£ 2,013	£ 2,013
18. Subsidiary company		
The whole of the issued share capital of RBST Trading Limited is owned. This company did not trade during the year and consolidated accounts have not been prepared on the grounds of immateriality.		
Total assets at 31 December 2014	£ 10,958	£ 10,958

19. Related Third Party Transactions

There were no third party payments paid to any Trustees in the financial year ending 31st December 2014

20. Contingent liability

The HMRC Gift Aid review has resulted in a repayment of £62,423. The amount relates to 2014 £5128 and £57,295 relating to 2011,2012, 2013. Any interest or penalties applied will be accounted for in the 2015 Sofa accounts.